

LOUISIANA INSURANCE RATING COMMISSION
POST OFFICE BOX 94157, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804-9157

MINUTES

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE LOUISIANA INSURANCE RATING COMMISSION BEGINNING AT 10AM ON TUESDAY, MAY 16, 2006 IN THE HEARING ROOM, POYDRAS BUILDING, 1702 NORTH THIRD STREET, BATON ROUGE, LOUISIANA.

THE FOLLOWING MEMBERS WERE PRESENT FOR THE MEETING AT 10 AM ON TUESDAY, MAY 16, 2006:

Dr. Christine Berry, Barry Busada, Jabari Ragas, Steven Ruiz

Deputy Commissioner, Chad Brown represented the Commissioner, Robert Wooley.

Also present were Clarissa Preston, Deputy Commissioner/Office of Property & Casualty; Linda Gonzales, and Staff Members of the Office of Insurance Rating; Richard Piazza, Actuary for the Louisiana Insurance Rating Commission; and other department staff members and representatives of certain groups.

Reading of the Minutes of the previous Meeting were dispensed with and accepted upon the motion of Dr. Berry, which received no objection.

AGENDA AND NOTICE

Part I -- Casualty

Reading of the Minutes of Previous Meeting

1 - May 16, 2006 - 23297

AMERICAN SOUTHERN HOME INSURANCE COMPANY

19 - PRIVATE PASSENGER AUTOMOBILE

REVISED RATE AND RULE

RECREATIONAL VEHICLE PROGRAM

(+20.2%)

THE COMPANY AMENDED THE RATE INCREASE TO +18.4%

COMPANY REFERENCE: 20051111-04

REQUESTED EFFECTIVE DATES - NEW: 7/1/2006

RENEWAL: 7/20/2006

Listed below is the history of the actions taken by the LIRC in regard to this program:

Item Key	Rate Change	Effective Dates	Action
#4 1/05 (#19439)	+7.3%	4/1/05 N/R	Approved
#42 8/01 (#2147)	-.23%	1/1/04 N 2/1/04 R	Approved
#113 8/03 (#14363)	+7.9%	10/1/03N 11/1/03R	Approved
#149 7/98	Act 1476		Approved
#64 9/95	Initial	11/1/95	Approved

With this filing, the company proposes an overall rate increase of +20.2% (Amended to +18.4%) or +\$20,106 (Amended to \$18,359) (131 policyholders) broken down by coverage as follows:

Coverage	Proposed Rate Change
Bodily Injury	+44.2% - amended to +45.7%
Property Damage	+47.0% - amended to +45.2%
Medical Payments	0.0% - NC
UM	0.0% - NC
Other Than Collision	+4.5% - amended to +4.8%
Collision	+36.5% - amended to +27.7%
Other	0.0% - NC
Total	+20.2% - amended to +18.4%

The changes are as follows:

- **Motor Home Relativity Curves**- used countrywide competitor information as well as their own loss data to determine the revised relativity curve.
- **Chargeability limit**- changed the threshold limit from \$500 to **\$300**.
- **Defensive Driving Course Discount**- added a 5% credit for this discount.
- **Major Violations/At-Fault Accident**- revised the major violation and at-fault accident definitions to be consistent with those of other currently filed casualty products.

- **Discounts-** introducing a **30%** maximum discount rule. This rule will not apply to the company's currently filed loss free discount.
- **Minimum Premiums-** Increasing the minimum written and earned premiums for Motor Home from \$50 to **\$100**.

Listed below is the Louisiana and countrywide experience:

LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	10,524	\$	8,284	78.7%
2002		18,691		200	1.1%
2003		29,664		3,483	11.7%
2004		75,714		12,751	16.8%
2005		101,974		108,599	106.5%
All Years	\$	236,567	\$	133,317	56.4%

COUNTRYWIDE

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	5,007,531	\$	3,961,701	79.1%
2002		6,812,721		5,943,347	87.2%
2003		9,602,423		7,020,673	73.1%
2004		12,236,464		7,612,466	62.2%
2005		12,999,714		9,106,006	70.0%
All Years	\$	46,658,853	\$	33,644,193	72.1%

The requested initial rates and rules require approval of companion forms under file # 2060899.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Mr. Busada deferred this filing and requests that a company representative be present at next month's regularly scheduled Commission meeting.

FINAL EFFECTIVE DATES - NEW: 7/1/2006 RENEWAL: 7/20/2006

2 - May 16, 2006 - 23423

AMERICAN GUARANTY TITLE INSURANCE COMPANY
 34 - TITLE
 INITIAL RATE AND RULE
 RESIDENTIAL TRANSACTIONS
 COMPANY REFERENCE: 2006-2

REQUESTED EFFECTIVE DATES - NEW: 5/16/2006

RENEWAL: 5/16/2006

The above captioned company wishes to file rates and rules for nine corresponding ALTA endorsements for its Residential Title Transactions.

The rates and rules are as follows:

ALTA Endorsement 4, AGTIC form no. 2655 - Condominium

Assures condominium statute has been complied with in establishment thereof and that restrictive covenants are not violated. There is no charge for this endorsement.

ALTA Endorsement 4.1, AGTIC form no. 3621 - Condominium

The 4.1 endorsement differs from the 4 in that it provides coverage in the event that a "super-priority" statute gives Homeowner's Association liens priority over previously recorded mortgages. There is no charge for this endorsement.

ALTA Endorsement 5, AGTIC form no. 2736 - Planned Unit Development

Insures against violations of covenants which restrict use, priority of lien over assessments of homeowners association, removal of structure because of encroachments, and failure of title by reason of right of first refusal. There is no charge for this endorsement.

ALTA Endorsement 5.1, AGTIC form no. 3622 - Planned Unit Development

The 5.1 endorsement differs from the 5 in that it provides coverage in the event that a "super-priority" statute gives Homeowner's Association liens priority over previously recorded mortgages. There is no charge for this endorsement.

ALTA Endorsement 6, AGTIC form no. 2811 - Variable Rate Mortgages

Insures against invalidity, unenforceability or loss of priority of lien resulting from provisions allowing changes in rate of interest. There is no charge for this endorsement.

ALTA Endorsement 6.2, AGTIC form no. 2927 - Variable Rate Mortgages, Negative Amortization

Similar to ALTA form 6 above, but includes assurances regarding "interest on interest" provisions in the mortgage. There is no charge for this endorsement.

ALTA Endorsement 7, AGTIC form no. 2861 - Manufactured Housing

Provides that where a lot is insured upon which a manufactured housing unit is located, that the unit is included in the term "land" when used in the policy. There is no charge for this endorsement.

ALTA Endorsement 8.1, AGTIC form no. 3356 - Environmental Protection

Insures against loss by reason of lack of priority of insured lien over certain environmental protection liens. There is no charge for this endorsement.

ALTA Endorsement 9, AGTIC form no. 3476 - Comprehensive

Provides assurance that covenants and restrictions are not violated, that there are no encroachments, that damages to existing improvements resulting from extractions of minerals will be a covered loss. There is no charge for this endorsement.

There is no rate impact associated with this filing.

The requested rate/rule requires approval of companion forms.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ragas approved.

FINAL EFFECTIVE DATES - NEW: 5/16/2006 RENEWAL: 5/16/2006

3 - May 16, 2006 - 23719

AMERICAN ASSOCIATION OF INSURANCE SERVICES

35 - INTERLINE FILING

CERTIFICATE OF AUTHORITY

RENEWAL OF CERTIFICATE OF AUTHORITY: RATING ORGANIZATION

RENEWAL OF CERTIFICATE OF AUTHORITY: ADVISORY ORGANIZATION

REQUESTED EFFECTIVE DATES - NEW: 5/16/2006 RENEWAL: 5/16/2006

The company submits the renewal for its Rating and Advisory Organization license. They have submitted the following required information:

- Completed Information Survey
- Certificate of Incorporation
- Amended Bylaws
- List of members and subscribers for our jurisdiction
- Statement of Qualifications
- Name and address of their agent for service of process
- Copy of the 2/11/03 renewal letter

Their Rating Organization's authority is for the following lines of business:

- Marine
- Inland Marine
- Automobile
- Burglary
- Glass

- General Liability
- Steam Boiler and Sprinkler Leakage
- Multiple Line
- Homeowners
- Nuclear Energy and Property
- Crop
- Livestock

Their Advisory Organization's authority is for the following lines of business:

- Dwelling Fire and Allied Lines
- Commercial Fire and Allied Lines

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ragas approved.

FINAL EFFECTIVE DATES - NEW: 5/16/2006 RENEWAL: 5/16/2006

4 - May 16, 2006 - 23716

HIGHWAY LOSS DATA INSTITUTE

35 - INTERLINE FILING

CERTIFICATE OF AUTHORITY

ADVISORY ORGANIZATION RENEWAL

2006-2009

REQUESTED EFFECTIVE DATES - NEW: 6/15/2006 RENEWAL: 6/15/2006

The Highway Loss Data Institute is filing to renew its Certificate of Authority as an advisory organization.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ragas approved.

FINAL EFFECTIVE DATES - NEW: 6/15/2006 RENEWAL: 6/15/2006

LOUISIANA INSURANCE RATING COMMISSION

Part II -- Property

Tuesday, May 16, 2006

1a - May 16, 2006 - 23441

EMPLOYERS MUTUAL CASUALTY COMPANY
EMCASCO INSURANCE COMPANY
EMC PROPERTY & CASUALTY COMPANY
4 - HOMEOWNERS
REVISED RATE AND RULE
(+24.5%)

*******(AMENDED BY THE COMPANY TO +15.0%)*******

COMPANY REFERENCE: LA-HO-2006-01

REQUESTED EFFECTIVE DATES - NEW: 7/15/2006

RENEWAL: 7/15/2006

Listed below is the history of the actions taken by the LIRC in regard to this program:

#2a - 8/04	+9.7%	Approved	Effective 12/15/04
#11a - 10/03	+15.0%	Approved	Effective 12/15/03
#11a - 7/02	+5.5%	Approved	Effective 9/15/02

With this filing, the companies are requesting an overall rate increase of **+24.5% (Amended to +15.0%)** or **+\$411,179 (Amended to +\$251,742)** (1,762 policyholders).

Listed below are the proposed changes by company:

COMPANY	% CHANGE	ESTIMATED ANNUAL EFFECT
EMCC	+24.4%	+\$229,295
EMCASCO	+24.5%	+\$128,263
EMC P & C	+24.5%	+\$53,621
ALL COMPANIES	+24.5%	+\$411,179

Rates for Residence Premises, Home Day Care Coverage and Outboard Motors and Watercraft have been revised.

Also proposed are the following changes:

The companies wish to adopt Insurance Services Office, Inc. (ISO) Filing Designation No.: HO 2004-R00RU - Louisiana (approved as item #2a in July 2004 to be effective April 1, 2005). With that filing, ISO introduced Manual Rules for Homeowners 2000 Program.

Windstorm or Hail Exclusion

Added item B.4. which states Windstorm or Hail Exclusion Endorsement HO0494 is required to be attached to new business policies that are eligible for the State Coastal Insurance Plans. When the peril of windstorm or hail is excluded from coverage under Section I of the policy, premium credits are applied.

Rule 406. Deductibles

\$2,500 Flat is the new all perils base and minimum deductible for Forms 2, 3 and 5 (previously \$500).

Windstorm or Hail Deductibles - Forms 2, 3 and 5

The first deductible amount shown applies to all perils other than Wind or Hail. The second deductible amount shown applies to the perils of Wind or Hail. Determine the credit by multiplying the base premium by the factor listed below.

\$2,500 / \$5,000 Wind or Hail	Deductible Factor	.96
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There are no buy-back optional lower deductibles less than the minimum All Peril deductible (\$2,500).

Other minor rules changes have been made and manual pages have been revised to reflect the proposed changes.

The companies state this filing contains no hurricane deductibles.

The Louisiana and Countrywide experience is shown below:

LOUISIANA

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	2,443,040	\$	1,807,028	74.0%
2002		2,142,300		2,539,220	118.5%
2003		1,791,093		760,225	42.4%
2004		1,684,365		297,513	17.7%
2005		1,690,380		9,765,673	577.7%
All Years	\$	9,751,178	\$	15,169,659	155.6%

COUNTRYWIDE
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	71,152,635	\$	84,534,954	118.8%
2002		76,366,146		53,308,386	69.8%
2003		78,462,367		53,223,755	67.8%
2004		78,505,782		53,452,547	68.1%
2005		77,079,479		53,043,443	68.8%
All Years	\$	381,566,409	\$	297,563,084	78.0%

Exhibit F, histogram and other required exhibits have been forwarded to our Actuary.

The requested rate/rule requires approval of companion forms.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ragas motioned to approve this filing as amended by the company to +15.0%. Jay Tims was the company's representative present at the meeting.

FINAL EFFECTIVE DATES - NEW: 7/15/2006 RENEWAL: 7/15/2006

2a - May 16, 2006 - 22934

HOMESITE INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RULE ONLY

REVISION OF WINDSTORM DEDUCTIBLES

COMPANY REFERENCE: LA-HO-06-016

REQUESTED EFFECTIVE DATES - NEW: 7/21/2006 RENEWAL: 9/7/2006

The above captioned company is proposing a revision to Rule 590, Windstorm. The coverage for the peril of windstorm is mandatory in Louisiana except for those policies that have been in effect and renewed for more than three years. The goal of this filing is to implement the windstorm deductible program in coastal hurricane regions.

Currently, the company is offering a base deductible of \$500 for all HO3 policies. The proposed deductible is determined by the distance to the coast as well as the rating territory.

Windstorm Deductibles (Form HO 00 03 Only)

Description	LA Territories	Windstorm Deductible
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For properties that are within 2,500 feet of the coast		5% (base) and 10% (optional)
For properties that are more than 2,500 feet from the coast in the following rating territories:	1, 2, 3, 4, 5, 6, 7	2% (base) and 3%, 4%, 5% and 10% (optional)
For properties in the remainder of the state		\$500 (base) and 2%, 3%, 4% and 5% (optional)

The company gives the option to increase the deductible with a decrease to the premium, but does not offer a buy-back to a lower deductible option.

The company is also proposing to remove Insurance Services Office, Inc. (ISO) form HO 04 98 0491, Refrigerated Personal Property, from its homeowners program. This form corresponds with Rule 515, Personal Property.

There is no rate impact associated with this filing.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Dr. Berry approved, but Mr. Ruiz motioned that the approval be reconsidered for further staff review.

Mr. Ruiz deferred.

FINAL EFFECTIVE DATES - NEW: 7/21/2006 RENEWAL: 9/7/2006

3a - May 16, 2006 - 23718

REPUBLIC FIRE AND CASUALTY INSURANCE COMPANY

1 - PROPERTY

REVISED RATE AND RULE

DWELLING PROGRAM

ADOPTION OF PIAL FILING DESIGNATION NOS.: LA 05-13 (APPROVED AS ITEM #1A IN AUGUST 2005 TO BE EFFECTIVE JANUARY 1, 2006) AND LA 05-14 (APPROVED AS ITEM #5A IN JULY 2005 TO BE EFFECTIVE JANUARY 1, 2006)

INTRODUCTION OF A 3% FACTOR FOR THE HURRICANE DEDUCTIBLE

(+17.3%)

*******(AMENDED BY THE COMPANY TO +13.3%)*******

COMPANY REFERENCE: 06-087

REQUESTED EFFECTIVE DATES - NEW: 7/1/2006

RENEWAL: 8/1/2006

The above captioned company wishes to adopt Property Insurance Association of Louisiana (PIAL) Filing Designation Nos.: LA 05-13 (approved as item #1a in August 2005 to be effective January 1, 2006) and LA 05-14 (approved as item #5a in July 2005 to be effective January 1, 2006).

In addition, the company wishes to renew the current deviation for Fire and increase the deviation for Extended Coverage by +5.8%. This will result in an overall increase of **+17.3% (Amended to +13.3%)** or **+\$103,863 (Amended to +\$79,848)** (732 policyholders).

The deviations by rating tier are as follows:

Tier	Coverage	Current Deviation	PIAL Change	Overall % Change	Proposed Deviation
Select	Fire	0.930	-2.7%	-2.7%	0.930
	Extended Coverage	1.518	+22.0%	+29.0%	1.606
	Total		+12.6%	+17.0%	
Preferred	Fire	1.039	-2.7%	-2.7%	1.039
	Extended Coverage	1.694	+22.0%	+29.0%	1.792
	Total		+14.6%	+19.5%	
Standard	Fire	1.255	-2.7%	-2.7%	1.255
	Extended Coverage	1.895	+22.0%	+29.0%	2.004
	Total		+12.5%	+16.9%	
Guardian	Fire	1.569	-2.7%	-2.7%	1.569
	Extended Coverage	2.369	+22.0%	+29.0%	2.506
	Total		+12.6%	+17.0%	
All Tiers	Fire		-2.7%	-2.7%	
	Extended Coverage		+22.0%	+29.0%	
	Total		+12.9%	+17.3%	

The company also wishes to introduce a 3% hurricane deductible option. The 3% hurricane deductible will be mandatory for new business in certain territories. For new business, hurricane deductibles will be required as follows:

- A 5% minimum hurricane deductible is mandatory in the following parishes: Calcasieu, Iberia, Jefferson, Orleans.
- A 3% minimum hurricane deductible is mandatory in the following parishes: St. Charles, St. John, St. James, St. Martin, Lafayette, Acadia, Jeff Davis and St. Tammany.

The company states "We are discussing application of the 2% deductible and it will be addressed in a future filing of underwriting guidelines".

For new business, there will be no buy-backs allowed. Hurricane deductibles are optional for renewal business.

The Louisiana and Countrywide experience is as follows:

LOUISIANA - FIRE

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	426,439	\$	228,880	53.7%
2002		345,927		80,091	23.2%
2003		265,535		158,102	59.5%
2004		226,351		123,004	54.3%
2005		212,136		0	0.0%
All Years	\$	1,476,387	\$	590,077	40.0%

COUNTRYWIDE - FIRE
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	3,226,236	\$	2,662,225	82.5%
2002		2,812,044		1,302,238	46.3%
2003		2,807,802		1,956,459	69.7%
2004		2,860,474		968,103	33.8%
2005		2,900,518		1,251,926	43.2%
All Years	\$	14,607,074	\$	8,140,952	55.7%

LOUISIANA - EC
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	568,965	\$	132,154	23.2%
2002		473,617		454,880	96.0%
2003		403,232		56,995	14.1%
2004		387,978		112,498	29.0%
2005		363,990		4,460,474	1225.4%
All Years	\$	2,197,782	\$	5,217,001	237.4%

COUNTRYWIDE - EC
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	7,883,041	\$	4,997,202	63.4%
2002		7,546,389		4,224,726	56.0%
2003		8,193,475		3,911,620	47.7%
2004		8,389,072		3,494,342	41.7%
2005		8,217,841		9,037,536	110.0%

All Years	\$	40,229,818	\$	25,665,427	63.8%
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Exhibit F and other required exhibits have been forwarded to our Actuary.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Dr. Berry motioned to approve this filing as amended by the company to +13.3%. Also amended from the floor was to include Plaquemines and St. Bernard parishes in the 5% minimum hurricane deductible parishes. Jim Drawert and Debbie King were the company representatives present.

FINAL EFFECTIVE DATES - NEW: 7/1/2006 RENEWAL: 8/1/2006

4a - May 16, 2006 - 23559

ALLSTATE INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE ONLY

CONDOMINIUM PROGRAM

(+47.2%)

COMPANY REFERENCE: R17291

REQUESTED EFFECTIVE DATES - NEW: 6/22/2006 RENEWAL: 6/22/2006

The last adjustment to this program occurred in July 2002 (item #1a). The overall increase was amended from +19.9% to +12.0%, effective November 11, 2002 for new and renewal business.

The company states "Please note that this is the first time Allstate Insurance Company has filed a Condominium indication separately from a Homeowners indication".

*****NOTE:** There is a companion rate/rule filing (LIRC Item Key #23270) for Allstate Insurance Company which introduces an additional charge for net cost of reinsurance. The overall requested revision of that filing is +9.1% and it is currently pending review under the Flexible Rating Provision.

With this filing, the company is requesting an overall rate increase of +47.2% or +\$387,559 (2,423 policyholders).

The company also states "Rate level changes are accomplished by using a Condominium rate adjustment factor to reflect the appropriate change".

The Louisiana and Countrywide experience is as follows:

LOUISIANA

(Accident Year Data Evaluated as of 3/31/05*)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2000	\$	368,288	\$	261,713	71.1%
2001		388,964		233,703	60.1%
2002		446,151		297,041	66.6%
2003		564,618		205,110	36.3%
2004		646,352		555,718	86.0%
All Years	\$	2,414,373	\$	1,553,285	64.3%

COUNTRYWIDE

(Accident Year Data Evaluated as of 3/31/05*)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2000	\$	73,066,653	\$	46,399,766	63.5%
2001		76,445,091		51,443,697	67.3%
2002		79,462,557		40,735,480	51.3%
2003		82,916,576		34,814,612	42.0%
2004		83,502,706		35,917,154	43.0%
All Years	\$	395,393,583	\$	209,310,709	52.9%

* Accident Year ending 12/31 of each specified year all evaluated at 03/31/05.

Exhibit F, histogram and other required exhibits have been forwarded to our Actuary.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Dr. Berry motioned to defer the filing. Steve Armstrong and Chantel Thomas were the company representatives present.

FINAL EFFECTIVE DATES - NEW: 6/22/2006 RENEWAL: 6/22/2006

5a - May 16, 2006 - 23714

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE AND RULE

RESIDENTIAL PROPERTY PROGRAM

(+25.6%)

*******(AMENDED BY THE COMPANY TO +15.0%)*******

COMPANY REFERENCE: LA2006-4

REQUESTED EFFECTIVE DATES - NEW: 9/27/2006

RENEWAL: 9/27/2006

Listed below is the history of the actions taken in regard to this program:

Key #20178 - Flex Band	0%	Meets Requirements	Eff. 4/30/05 N & 6/30/05 R
#10a - 5/03	+6.0%	Approved	Eff. 6/30/03 N & 8/4/03 R
#8a - 5/02	+6.3%	Approved	Eff. 6/15/02 N & 7/20/02 R

With this filing, the company is requesting an overall increase of +25.6% (Amended to +15.0%) or +\$2,551,472 (Amended to +\$1,495,000) (11,368 policyholders).

Other proposed changes include:

Introduce a mandatory 2% Hurricane Deductible

Currently, hurricane windstorm coverage is mandatory for almost the entire state of Louisiana with the exception of Territories 21, 22, 23, 24, 31, 41, 46, 47 and 48. The insureds have 3 hurricane deductible options for this coverage (where available): The policy deductible, the 2% of Coverage A limit deductible, and the 5% of Coverage A limit deductible.

The company proposes the following changes:

For Owners Forms in Territories 21, 22, 23, 24, 31, 41, 46, 47 and 48:

New business will be issued with a mandatory hurricane deductible of 2% of Coverage A limit.

Existing business will be renewed with a mandatory hurricane deductible of 2% of Coverage A limit.

For Owners Forms in for the Remainder of State:

New business will be issued with a mandatory hurricane deductible of 2% of Coverage A limit.

Existing business currently with hurricane deductibles less than the 2% of Coverage A limit deductible will have their hurricane deductible converted to the 2% of Coverage A limit deductible.

Remove the \$1,000 Wind/Hail Deductible

The minimum \$1,000 Wind and Hail deductible will not be available to both new and renewal business. The hurricane deductible of 2% of Coverage A limit will become mandatory for all policies.

The Louisiana and Countrywide experience is as follows:

LOUISIANA (Accident Year as of 2005Q4)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	6,753,519	\$	3,229,279	47.8%
2002		7,208,925		8,273,475	114.8%
2003		8,000,916		2,145,263	26.8%

2004		9,047,490		4,006,462	44.3%
2005		9,966,689		84,969,284	852.5%
All Years	\$	40,977,539	\$	102,623,763	250.4%

COUNTRYWIDE
(Accident Year as of 2005Q4)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 253,057,317	\$ 179,981,214	71.1%
2002	290,733,569	165,419,345	56.9%
2003	325,328,690	197,863,141	60.8%
2004	363,069,210	244,244,948	67.3%
2005	406,621,996	354,149,423	87.1%
All Years	\$ 1,638,810,782	\$ 1,141,658,071	69.7%

Exhibit F and other required exhibits have been forwarded to our Actuary.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ruiz motioned to approve the filing as amended by the company to +15.0%. Dick Easterling and Rich Leonardo were the company representatives present.

FINAL EFFECTIVE DATES - NEW: 9/27/2006 RENEWAL: 9/27/2006

6a - May 16, 2006 - 23663

AUTO CLUB FAMILY INSURANCE COMPANY
4 - HOMEOWNERS
REVISED RATE AND RULE
IMPLEMENTATION OF INSURANCE SCORING
(+28.45%)

*******(AMENDED BY THE COMPANY TO +18.7%)*******

COMPANY REFERENCE: LA060426XRMXT025

REQUESTED EFFECTIVE DATES - NEW: 6/1/2006 RENEWAL: 7/1/2006

Listed below is the history of the actions taken in regard to this program:

Flex Band - Key #19583	+3.47%	Meets Requirements	Eff. 3/15/05 N & R
Flex Band - Key #15937	+9.80%	Meets Requirements	Eff. 3/15/04 N & R
#16a - 12/02	+8.62%	Approved	Eff. 2/15/03 N & R

With this filing, the company is requesting an overall increase of **+28.45% (Amended to +18.7%)**

or +4,598,536 (Amended to +\$3,017,000) (13,461 policyholders).

New proposed rules are as follows:

- The company is implementing an Insurance Score that will be used to underwrite and rate risks written in the Homeowners Program. All new policies will be assigned to one of the tiers. For existing policies, assignment of an Insurance Score tier will be assigned at the first renewal following implementation of the Insurance Score.
- When a rate change is implemented between the time a new business application is submitted and the effective date of the policy, the Submitted Application/Rate Change rule outlines how the new policy will be adjusted based on the effect of the rate change.
- An AAA Membership Discount will now be provided to insureds that are current members of AAA. The discount will vary by policy form.
- A roof rating factor may now be applied based on the roof covering material on the dwelling.
- Insured properties that have received certification under the Fortified For Safer Living Program by the Institute for Business and Home Safety (IBHS) will be eligible for a 5% discount.
- Increased limits for Theft Coverage up to \$20,000 may be endorsed onto the Premier Select policy.
- Policies may now be endorsed to provide coverage for physical loss to a motorized golf cart.

Revised proposed rules are as follows:

- The Premier Select and Premier Condo policy forms will no longer be eligible for the Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing endorsement. 3 Premier Condo policies and 11 Premier Select policies will have this endorsement removed at their next renewal. Additionally, the premium credit associated with this endorsement has been decreased from 5% to 2%.

Special Hurricane Deductible

The Special Hurricane Deductible endorsement will no longer be available to new or renewal business. Policies that currently carry this endorsement will have it removed at their next renewal and have either the Windstorm or Hail Exclusion or the Windstorm or Hail Percentage Deductible rolled on.

Windstorm or Hail Exclusion

The company may elect to write a policy that excludes wind and hail coverage when the property is eligible for wind and hail coverage from the Fair or Coastal Plans through the Louisiana Citizens Property Insurance Corporation. The Windstorm or Hail Exclusion endorsement will be mandatory for policies located in Territory 38 (parts of Plaquemines parish) and Territory 43 (parts of

Cameron, Jefferson, Terrebonne, LaFourche, and St. Bernard parishes). If the company excludes wind and hail coverage, a premium credit will be given. The premium credit factor will be .65.

Windstorm or Hail Percentage Deductible

The following mandatory minimum deductible requirements apply:

- All policies located in Territories 1, 2, 3, 4, 6, 10, 21, 26, 31, 32, 33, 35, 36, 37, 39, 40, 41 and 42 require a minimum windstorm or hail percentage deductible of 5%. A premium credit will be given, but there is no buy-back option.
- All policies located in Territories 5, 16, 18, 19, 20, 22, 25, 27, 28, 29, 30 and 34 require a minimum windstorm or hail percentage deductible of 3%. A premium credit will be given, but there is no buy-back option.
- All policies located in Territories 7, 8, 9, 11, 12, 13, 14, 15, 17, 23 and 24 require a minimum windstorm or hail percentage deductible of 2%. A premium credit will be given, but there is no buy-back option.
- The windstorm or hail percentage deductible is not available for policies located in Territories 38 and 43.

Policyholders will be notified of these deductible changes prior to their renewal.

Several other proposed changes, too numerous to list, have been made to the manual rules. Most are editorial in nature. Territories have been revised and rate pages have been revised to reflect all changes.

The Louisiana and Countrywide experience is as follows:

LOUISIANA

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	411,339	\$	147,394	35.8%
2002		1,306,480		714,557	54.7%
2003		3,974,628		1,172,482	29.5%
2004		7,642,426		2,658,444	34.8%
2005		11,362,474		104,247,677	917.5%
All Years	\$	24,697,347	\$	108,940,554	441.1%

COUNTRYWIDE

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	15,565,236	\$	30,175,809	193.9%
2002		20,298,526		11,847,000	58.4%
2003		30,149,886		23,931,258	79.4%
2004		42,092,906		21,254,096	50.5%
2005		52,291,411		134,092,902	256.4%
All Years	\$	160,397,965	\$	221,301,065	138.0%

Exhibit F, histogram and other required exhibits have been forwarded to our Actuary.

The requested rate/rule requires approval of companion forms filing #2061766.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Dr. Berry motioned to approve the filing as amended by the company to +18.7%. Also amended from the floor was to remove the use of insurance score, that the windstorm or hail exclusion would apply to new business only in coastal areas and that the percentage deductible would be a 3% flat deductible for renewals statewide a 2%, 3% or 5% deductible for new business only depending on the territory. Bob Schriever and Steve Klinger were the company representatives present.

FINAL EFFECTIVE DATES - NEW: 6/1/2006 RENEWAL: 7/1/2006

7a - May 16, 2006 - 23698

INSURANCE SERVICES OFFICE, INC.

9 - INLAND MARINE

REVISED RATE ONLY

PERSONAL INLAND MARINE

LOSS COST LEVEL REVISION

ISO FILING DESIGNATION NO. PM-2006-RLA1 - LOUISIANA

(+12.8%)

COMPANY REFERENCE: PM-2006-RLA1

REQUESTED EFFECTIVE DATES - NEW: 12/1/2006

RENEWAL: 12/1/2006

The last adjustment to this program occurred in June 2004 (Item #23a), which resulted in an overall rate increase of +7.1% effective January 1, 2005.

The referenced organization wishes to submit its Advisory Prospective Loss Cost Revisions for Personal Inland Marine.

This filing proposes an overall increase of **+12.8%**. The advisory prospective loss cost level changes are:

	INDICATED	FILED
Bicycles	-15.1%	-15.1%
Cameras-Private	-7.2%	-7.2%
Coin Collections	-9.8%	-9.8%
Fine Arts	-15.7%	-15.7%
Golfers' Equipment	+2.1%	+2.1%
Musical Instruments Ind.(Non- Prof.)	+3.3%	+3.3%
Personal Effects	+9.8%	+0.0%
Personal Property Floater	-10.9%	-10.9%
Silverware	-29.5%	-25.0%
Stamp Collections	-5.6%	-8.0%
Personal Furs	+1.0%	+1.0%
Personal Jewelry	+39.6%	+15.0%
Total	+35.5%	+12.8%

*These indicated and filed loss cost level changes are changes from the current loss costs.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Mr. Busada deferred action pending the completion of the actuarial review.

FINAL EFFECTIVE DATES - NEW: 12/1/2006 RENEWAL: 12/1/2006

Mr. Ragas adjourned.